

MEDIA RELEASE

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## STRONG 1<sup>ST</sup> QUARTER PERFORMANCE FROM BUILDING PRODUCTS AND PROPERTY

Brickworks Limited (ASX: BKW) told shareholders at its 81<sup>st</sup> Annual General Meeting today that a strong first quarter from Building Products and Property has positioned the company to deliver an improved result in financial year 2016.

Chairman Mr Robert Millner said: "The strong start to the year again highlights and validates our strategy to pursue sustainable growth from our diversified and well balanced portfolio of businesses."

"Brickworks has consistently demonstrated its ability to deliver shareholder value, with the company delivering outstanding returns over both the short and long term," said Mr Millner.

### FY2016 Trading Update<sup>1</sup>

The strong momentum in the Building Products Group has continued, with revenue up 9% in the first quarter of 2016, compared to the prior corresponding period. Building Products EBIT was up 24% to \$16.4 million for the quarter, driven by strong performances from New South Wales and Victorian operations, and a significant improvement from Austral Precast.

Brickworks' Managing Director Mr Lindsay Partridge said: "Demand for our products remains very strong, buoyed by increasing building approvals and a large backlog of work that has developed over the past twelve months."

"Austral Bricks earnings were higher across all states except Queensland and South Australia, where production was impacted by unscheduled kiln repairs undertaken during the period," Mr Partridge said. "The uplift in Austral Precast was particularly encouraging with this business benefiting from a range of productivity improvements and unprecedented demand in Queensland," he added.

The Land and Development Group also had a strong start to the year, posting an EBIT of \$15.9 million for the quarter on the back of significant revaluation profits within the Property Trust.

At the Oakdale Estate in New South Wales construction work is well underway on two new DHL facilities, scheduled for completion in May 2016, as well as works to improve site access and enhance the area's status as a prime location for warehousing and logistics premises. Tenant inquiry is very strong, with the latest pre-commitment secured in early November for an 8,000m<sup>2</sup> facility.

At Rochedale North in Queensland, construction of the initial Beaumont Tiles facility is nearing completion, with a second pre-commitment now secured with Franklyn Blinds for an 8,000m<sup>2</sup> site, on a ten year lease term.

### Outlook

Mr Lindsay Partridge said: "With a good first quarter result and a strong order book, the Building Products Group is on track to deliver another increase in earnings in financial year 2016."

"Building approvals along the east coast remain robust, and together with the significant backlog of work that has developed, this is translating to even greater levels of demand. Some businesses such as Austral Precast in Queensland are only limited by available plant capacity, whilst in Austral Bricks and

<sup>1</sup> Unaudited and pre significant items

